

The Market Place

- Global equities rose 0.2%
- US inflation figures came in hotter than expected, leading markets to significantly pare back interest rate cut expectations
- Brent crude rose 1.6% last week to \$83.47 per barrel
- Gold fell 0.5% to \$2,013.59 per ounce

US

US equities fell 0.4%

The headline Consumer Price Index (CPI) result came in at 0.3% month-on-month (vs 0.2% expected), with the year-on-year value at 3.1% (vs 2.9% expected)

Headline US retail sales fell 0.8% month-on-month (vs a 0.2% fall expected)

Industrial production for January came in softer than anticipated, falling 0.1% month-on-month (vs a 0.2% increase expected)

The headline January Producer Price Index (PPI) rose 0.3% month-on-month (vs 0.1% expected), and 0.9% in year-on-year terms (vs 0.6% expected)

Europe

European equities rose 1.3%

Eurozone GDP for Q4 came in flat, while the year-on-year figure showed a 0.1% increase as expected.

Industrial output increased 2.6% month-on-month (vs a 0.2% decline expected)

Germany ZEW investor expectations for February rose to 19.9 (vs 17.3 expected), but current sentiment fell to -81.7 yesterday (vs -79.0 expected), the lowest reading since June 2020

UK

UK equities rose 2.1%

UK headline CPI rose 4.0% year-on-year (vs 4.1% expected), while core rose by 5.1% (vs 5.2% expected)

The economy slipped into a technical recession in the second half of last year, as GDP fell by a larger-than-expected 0.3% quarter-on-quarter in Q4 (vs an expected 0.1% decrease), taking the year-on-year measure to -0.2%

Retail sales rebounded in January with volumes increasing 3.4% (vs a 1.5% increase expected) following the 3.2% decrease in December

Year-on-year house prices declined 1.4% in December, marking the sixth consecutive month of declines

Industrial production rose 0.6% year-on-year (vs a 0.4% decline expected)

Asia / ROW

Global emerging market equities rose 2.1%

Japanese equities rose 2.6%, while Chinese equities rose 3.7%

China's services activity expanded at a slightly slower pace in January, as the Caixin services PMI (Purchasing Manager's Index) edged down to 52.7 from 52.9 in December as new orders fell

The Japanese Q4 GDP results came in below expectations falling 0.4% quarter-on-quarter (vs a 1.1% increase expected), up from -2.9% in Q3



Performance

Asset Class/Region	Currency				
		Week ending 16 Feb 2024	Month to date	YTD 2024	12 Months
Developed Market Equities					
United States	USD	-0.4%	3.4%	5.1%	23.8%
United Kingdom	GBP	2.1%	1.3%	0.1%	0.1%
Continental Europe	EUR	1.3%	1.3%	3.3%	10.0%
Japan	JPY	2.6%	2.9%	10.9%	34.5%
Asia Pacific (ex Japan)	USD	2.0%	3.7%	-1.2%	-0.2%
Australia	AUD	0.2%	-0.3%	0.9%	7.7%
Global	USD	0.2%	2.6%	3.8%	19.7%
Emerging markets equities					
Emerging Europe	USD	1.3%	3.0%	5.4%	30.4%
Emerging Asia	USD	2.3%	5.0%	-0.5%	0.6%
Emerging Latin America	USD	0.9%	0.9%	-4.0%	19.8%
BRICs	USD	2.5%	4.5%	-1.3%	-3.2%
China	USD	3.7%	6.9%	-4.5%	-21.1%
MENA countries	USD	1.8%	3.4%	3.6%	9.7%
South Africa	USD	0.9%	-2.8%	-8.4%	-7.0%
India	USD	1.2%	1.6%	1.9%	23.2%
Global emerging markets	USD	2.1%	4.2%	-0.7%	3.1%
Bonds					
US Treasuries	USD	-0.5%	-1.7%	-1.9%	1.7%
US Treasuries (inflation protected)	USD	-0.2%	-1.5%	-1.4%	1.7%
US Corporate (investment grade)	USD	-0.4%	-1.7%	-1.5%	5.2%
US High Yield	USD	-0.4%	-0.2%	-0.2%	10.4%
UK Gilts	GBP	-0.1%	-1.9%	-4.2%	-1.7%
UK Corporate (investment grade)	GBP	0.2%	-1.0%	-2.0%	4.1%
Euro Government Bonds	EUR	0.3%	-1.3%	-1.7%	4.0%
Euro Corporate (investment grade)	EUR	0.1%	-1.0%	-0.9%	5.5%
Euro High Yield	EUR	0.3%	0.1%	1.0%	8.8%
Japanese Government	JPY	0.0%	0.2%	-0.6%	-0.5%
Australian Government	AUD	-0.3%	-0.9%	-0.7%	1.9%
Global Government Bonds	USD	-0.4%	-2.0%	-3.6%	0.0%
Global Bonds	USD	-0.3%	-1.8%	-3.0%	2.3%
Global Convertible Bonds	USD	0.1%	0.5%	-1.6%	2.8%
Emerging Market Bonds	USD	0.1%	-0.1%	-1.4%	7.9%



Performance

Asset Class/Region	Currency				
		Week ending 16 Feb 2024	Month to date	YTD 2024	12 Months
Property					
US Property Securities	USD	0.3%	1.1%	-3.1%	-0.4%
Australian Property Securities	AUD	2.7%	4.9%	6.2%	8.8%
Asia Property Securities	USD	0.6%	-0.9%	-6.5%	-9.3%
Global Property Securities	USD	0.5%	-0.1%	-3.9%	-0.2%
Currencies					
Euro	USD	-0.1%	-0.7%	-2.6%	0.8%
UK Pound Sterling	USD	-0.2%	-0.9%	-1.2%	4.9%
Japanese Yen	USD	-0.6%	-2.6%	-6.2%	-10.8%
Australian Dollar	USD	0.3%	-0.8%	-4.3%	-5.2%
South African Rand	USD	0.9%	-1.1%	-3.2%	-3.9%
Swiss Franc	USD	-0.7%	-2.4%	-4.7%	4.9%
Chinese Yuan (Data as at 09 Feb 2024)	USD	0.0%	-0.3%	-1.3%	-4.7%
Commodities & Alternatives					
Commodities	USD	-0.1%	-0.9%	0.7%	-1.0%
Agricultural Commodities	USD	-1.3%	-1.0%	0.5%	-0.1%
Oil	USD	1.6%	2.2%	8.3%	-2.0%
Gold	USD	-0.5%	-1.8%	-2.4%	9.3%

Global Matters Weekly

19 February 2024

For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited
研富投資服務有限公司
9th Floor, Centre Mark II
305-313 Queen's Road Central
Sheung Wan, Hong Kong

Tel +852 2827 1199
Fax +852 2827 0270
belvest@bis.hk
www.bis.hk

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